GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3866
ANSWERED ON:23.12.2004
PERMISSION TO ONGC VIDESH TO INCREASE ITS INVESTMENTS
Patil Shri Balasaheb Vikhe

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government has allowed ONGC Videsh Ltd. to increase its investments in Sakhalin-1 Oil and Gas oilfield in Russia;

(b) if so, the details thereof; and

(c) the annual quantity of crude oil and gas likely to be made available to India and for how many years?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b): Government have approved the proposal of ONGC Videsh Ltd.(OVL) for an additional investment, that is, cash sink, of upto US $ 1.07 Billion over the existing approval of US $ 1.7 Billion for its participation in the Sakhalin-I Project in Russia.

The additional investment comprises OVL's own investment towards development cost of the project and the loan to be extended to the Russian parties for their share of costs. The loan would be repaid by the Russian parties with interest to OVL.

(c): The project is expected to produce about 12.5 million tones(MMT) of oil and 10 Billion Cubic Meters (BCM) of gas in the year of peak production, out of which OVL's share would be 20%. The total production of the fields over the 40 years of the life period, is estimated to be 307 MMT of oil and 485 BCM of gas.